

**VILLAGE OF HALL SUMMIT, LOUISIANA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2013**

**MARSHA O. MILLICAN  
A PROFESSIONAL ACCOUNTING CORPORATION  
SHREVEPORT, LOUISIANA**

# VILLAGE OF HALL SUMMIT, LOUISIANA

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December 31, 2013

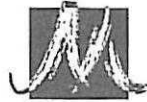
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# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## Independent Auditor's Report

The Honorable W. L. Wimberly, Mayor  
and Members of the Board of Aldermen  
Village of Hall Summit, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Village of Hall Summit, Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

810 WILKINSON  
SHREVEPORT, LA 71104-3036  
(318) 221-3881  
FAX: (318) 221-4641

***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Village of Hall Summit, Louisiana, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

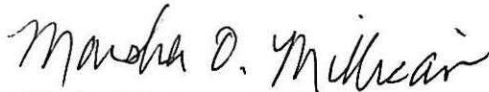
Accounting principles generally accepted in the United States of America require that the budgetary information on page 25 be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation Paid to the Mayor and Board of Aldermen on page 26 and Component Unit information on pages 27-29 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated June 26, 2014, on my consideration of Village of Hall Summit, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Hall Summit, Louisiana's internal control over financial reporting and compliance.

A handwritten signature in cursive script, reading "Marsha O. McKeen".

Certified Public Accountant

June 26, 2014

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
P O BOX 98  
SHREVEPORT, LOUISIANA 71034

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2013**

The Management's Discussion and Analysis of the Village of Hall Summit's financial performance presents a narrative overview of the Village of Hall Summit's financial activities for the year ended December 31, 2012, 2013. The document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Village's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Governmental Activities

- 1) Village of Hall Summit had cash of \$28,002 at December 31, 2013, which represents a decrease of \$28,952 from prior year end.
- 2) Village of Hall Summit had taxes receivable of \$3,254 at December 31, 2013, which represents an increase of \$239 from prior year end.
- 3) Village of Hall Summit had accounts payable and accruals of \$1,537 at December 31, 2013, which represents a decrease of \$49 from the prior year end.
- 4) Village of Hall Summit had total revenues of \$41,695 for the year ended December 31, 2013, which represents a decrease of \$45,644 from prior year, primarily due to grant revenue received in the prior year that was not received in the current year.
- 5) Village of Hall Summit had total expenses of \$75,414 for the year ended December 31, 2013, which represents a decrease of \$5,004 from prior year.

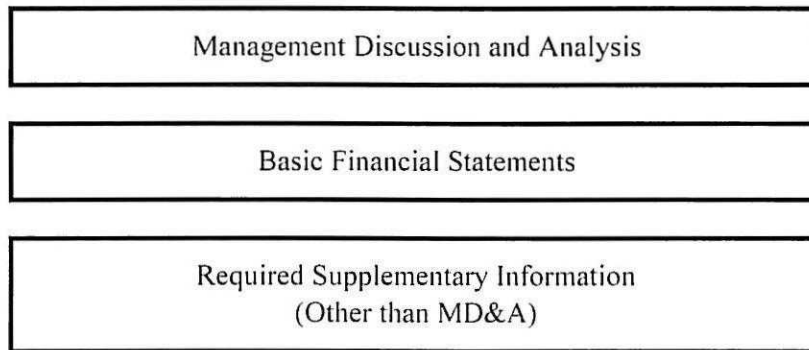
Business-Type Activities

- 1) Village of Hall Summit had cash and investments of \$142,290 for the year ended December 31, 2013, which represents an increase of \$3,582 from prior year.
- 2) Village of Hall Summit had accounts receivable of \$14,459 the year ended December 31, 2013, which represents an increase of \$6,657 from prior year.
- 3) Village of Hall Summit had accounts payable and accruals of \$9,890 for the year ended December 31, 2013, which represents a decrease of \$738 from prior year.
- 4) Village of Hall Summit had total revenues of \$135,203 for the year ended December 31, 2013, which represents an increase of \$45,236 from prior year, due primarily to grants received in the current year that were not received in the prior year.
- 5) Village of Hall Summit had total expenses of \$142,893 for the year ended December 31, 2013, from the prior year.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2013**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for the Village of Hall Summit as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's and Discussion and Analysis - for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the of Village of Hall Summit as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

**Reporting the Village as a Whole**

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the Village as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.



**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2013**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

These two statements report the Village's net position and changes in them. You can think of the Village's net position, the difference between assets and liabilities, as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the Village into two kinds of activities:

Governmental Activities

Most of the Village's basic services are reported here including the police and general administration. Taxes, license and permits, fines, interest income and state and federal grants finance most of these activities.

Business-Type Activities

The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer systems are reported here.

**Reporting the Village's Most Significant Funds**

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Council may establish other funds to help it control the money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Village's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's activities as well as what remains for future spending.

Proprietary Funds

When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Village's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2013**

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Position at Year End

	Governmental Activities	Business Activities	Governmental Activities	Business Activities
	2013	2013	2012	2012
Current and other assets	\$ 241,323	220,028	\$ 290,262	\$ 171,328
Capital assets, net	244,771	1,025,091	274,289	1,036,087
<b>Total Assets</b>	<b>486,094</b>	<b>1,245,119</b>	<b>564,551</b>	<b>1,207,415</b>
Accounts Payable and Accruals	3,848	13,738	1,586	10,628
Long-Term Debt	-	-	-	-
Due to Other Funds	-	-	-	-
Customer Deposits	-	22,010	-	23,275
<b>Total Liabilities</b>	<b>3,848</b>	<b>35,748</b>	<b>1,586</b>	<b>33,903</b>
<b>Net Position</b>				
Investments in capital assets,				
Net of related debt	244,771	1,025,091	274,289	1,036,087
Restricted Net Position	-	22,010	-	-
Unrestricted	237,475	166,118	288,676	137,425
<b>Total Net Position</b>	<b>\$ 482,246</b>	<b>\$ 1,213,219</b>	<b>\$ 562,965</b>	<b>\$ 1,173,512</b>

Net position of the Village of Hall Summit decreased by \$80,719 and increased \$39,707 from the previous fiscal year. Governmental Activities and Business-Type Activities, respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year year ended 2013. (See table below)

Statement of Activities As of Year End

	Government 2013	Business 2013	Government 2012	Business 2012
General Government Expenses	\$ (75,414)	\$ (142,893)	\$ (70,410)	\$ (157,098)
Program revenues				
Charges for services	8,075	88,717	8,279	79,819
Operating and capital grants and Contributions	-	45,236	10,000	15,000
<b>Subtotal</b>	<b>(67,339)</b>	<b>(8,940)</b>	<b>(52,131)</b>	<b>(62,279)</b>
General revenues and transfers	(13,380)	48,647	69,060	691
<b>Change in net position</b>	<b>\$ (80,719)</b>	<b>\$ 39,707</b>	<b>\$ 16,929</b>	<b>\$ (61,588)</b>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of 2013, Village of Hall Summit had \$244,771 and \$1,025,091 net of depreciation in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This account represents a net decrease (including additions and deductions) of \$10,996 and an increase of \$24,974 in Governmental Activities and Business-Type Activities, respectively, from the previous year.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2013**

Capital Assets (Net) at Year End

	Governmental Activities <u>2013</u>	Business-Type Activities <u>2013</u>
Land	\$ 21,334	\$ 30,776
Buildings and other improvements	201,838	-
Automobiles	12,173	-
Distribution system	-	987,746
Equipment and other assets	9,426	6,569
Total	<u>\$ 244,771</u>	<u>\$ 1,025,091</u>

Additions for the year ended December 31, 2009 are as follows:

This years major additions included:

	Governmental Activities <u>2013</u>	Business-Type Activities <u>2013</u>
Distribution system	\$ -	\$ -
Land	-	-
Buildings and other improvements	-	45,236
Equipment and other assets	-	6,150
Total	<u>\$ -</u>	<u>\$ 51,386</u>

Debt

Village of Hall Summit no had long-term liabilities payable for the Business-Type Activities at year end.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$7,398 more than budgeted amounts.

Actual expenditures were \$22,893 more than budgeted amounts due to general government being more than expected.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Village of Hall Summit's elected officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues (state and local grants)
- 3) License and permits
- 4) Fines

Town of Logansport does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING VILLAGE OF HALL SUMMIT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Village of Hall Summit's finances and to show Village of Hall Summit's accountability for the money it receives. If you have questions about this report or need additional information, contact W.L. Wimberly, Mayor of Village of Hall Summit, Post Office Box 98, Hall Summit, Louisiana 71034

# VILLAGE OF HALL SUMMIT, LOUISIANA

## Statement of Net Position December 31, 2013

	Primary Government			
	Governmental	Business-type		Component
	Activities	Activities	Total	Unit
<u>Assets</u>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 28,002	\$ 11,097	\$ 39,099	\$ 31,609
Investments, at cost	208,737	109,183	317,920	36,060
Receivables (net of allowance account)	3,254	14,459	17,713	-
Prepaid expenses	1,330	665	1,995	665
Total current assets	241,323	135,404	376,727	68,334
<b>Noncurrent assets:</b>				
Restricted assets:				
Investments	-	22,010	22,010	-
Due from other funds	-	62,614	62,614	-
Deposits	-	-	-	450
Capital assets, net of accumulated depreciation	244,771	1,025,091	1,269,862	74,575
Total noncurrent assets	244,771	1,109,715	1,354,486	75,025
Total assets	486,094	1,245,119	1,731,213	143,359
Deferred Outflow of resources	-	-	-	-
<u>Liabilities</u>				
<b>Current liabilities:</b>				
Accounts payable	1,537	7,871	9,408	354
Accrued expenses	-	2,019	2,019	-
Due to other funds	2,311	-	2,311	60,303
Total current liabilities	3,848	9,890	13,738	60,657
<b>Noncurrent liabilities:</b>				
Deposits	-	22,010	22,010	-
Total liabilities	3,848	31,900	35,748	60,657
Deferred inflows of resources	-	-	-	-
<u>Net Position</u>				
Invested in capital assets, net of related debt	244,771	1,025,091	1,269,862	74,575
Restricted:				
Customer meter deposits	-	22,010	22,010	-
Unrestricted	237,475	166,118	403,593	8,127
Total net position	\$ 482,246	\$ 1,213,219	\$ 1,695,465	\$ 82,702

The notes to the financial statements are an integral part of this statement.

# VILLAGE OF HALL SUMMIT, LOUISIANA

## Statement of Activities

For the Year Ended December 31, 2013

Functions	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-type Activities	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General government	\$ 38,179	\$ -	\$ -	\$ -	\$ (38,179)	\$ -	\$ -
Public safety	7,717	8,075	-	-	358	-	358
Depreciation	29,518	-	-	-	(29,518)	-	(29,518)
Total governmental activities	75,414	8,075	-	-	(67,339)	-	(67,339)
<b>Business-type Activities:</b>							
Utilities	142,893	88,717	-	45,236	-	(8,940)	(8,940)
Total Primary Government	\$ 218,307	\$ 96,792	\$ -	\$ 45,236	\$ (67,339)	\$ (8,940)	\$ (76,279)
<b>Component Unit:</b>							
Hall Summit Development Co.	\$ 29,504	\$ 12,931	\$ -	\$ -	\$ -	\$ -	\$ (16,573)
<b>General Revenues:</b>							
Taxes				20,817	-	-	20,817
Licenses and permits				11,935	-	-	11,935
Interest				691	397	1,088	1,088
Miscellaneous				177	1,250	1,427	1,427
Transfers				(47,000)	47,000	-	-
Total general revenues and transfers				(13,380)	48,647	35,267	35,267
Change in net position				(80,719)	39,707	(41,012)	(16,573)
Net assets, beginning of year				562,965	1,173,512	1,736,477	99,275
Net assets, end of year				\$ 482,246	\$ 1,213,219	\$ 1,695,465	\$ 82,702

The notes to the financial statements are an integral part of this statement

# VILLAGE OF HALL SUMMIT, LOUISIANA

## Balance Sheet - Governmental Funds December 31, 2013

<u>Assets</u>	
Cash and cash equivalents	\$ 28,002
Investments, at cost	208,737
Receivables (net, where applicable, of allowances for uncollectible accounts)	3,254
Prepaid expenses	1,330
Due from other funds	-
Total assets	<u>\$ 241,323</u>
<u>Liabilities and Fund Balances</u>	
<u>Liabilities</u>	
Accounts payable	1,537
Due to other funds	2,311
Total liabilities	<u>3,848</u>
<u>Fund balances</u>	
Nonspendable	
Prepaid expenses	1,330
Assigned	-
Unassigned	236,145
Total fund balances	<u>237,475</u>
Total liabilities and fund balances	<u>\$ 241,323</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA

Reconciliation of Fund Balances on the Balance Sheet  
for Governmental Funds to the Net Position of  
Governmental Activities on the Statement of Net Position  
December 31, 2013

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Fund balances - total governmental funds	\$	237,475
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Amounts reported for governmental activities in the statement of net position are  
different because:

Capital assets used in governmental activities are not financial resources and  
therefore are not reported in the funds:

Capital assets, net of depreciation		<u>244,771</u>
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Net position of governmental activities	\$	<u><u>482,246</u></u>
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The notes to the financial statements are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2013

<b>Revenues:</b>	
Taxes	\$ 20,817
Licenses and permits	11,935
Fines and fees	8,075
Interest	691
Miscellaneous	177
Total revenues	<u>41,695</u>
<b>Expenditures:</b>	
Current operating:	
General government	38,179
Law enforcement	7,717
Capital outlays	-
Total expenditures	<u>45,896</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,201)</u>
Other financing sources (uses):	
Transfers	<u>(47,000)</u>
Total other financing sources	<u>(47,000)</u>
Net change in fund balance	(51,201)
Fund balance at beginning year	288,676
Fund balance at end of year	<u>\$ 237,475</u>

The notes to the financial statements are an integral part of this statement.



VILLAGE OF HALL SUMMIT, LOUISIANA

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental  
Funds to the Governmental Activities in the Statement of Activities  
For the Year Ended December 31, 2013

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Net change in fund balances - total governmental funds	\$	(51,201)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$29,518) exceeds capital outlay (\$-0-) in the current period		<u>(29,518)</u>
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Change in net position of government activities.	\$	<u><u>(80,719)</u></u>
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The notes to the financial statements are an integral part of this statement.

# VILLAGE OF HALL SUMMIT, LOUISIANA

## Statement of Net Position

Proprietary Fund

December 31, 2013

<b><u>Assets</u></b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 11,097
Receivables	9,842
Receivables - Grants	4,617
Prepaid expenses	665
Total current assets	<u>26,221</u>
<b>Noncurrent assets:</b>	
Restricted assets:	
Investments	22,010
Investments	109,183
Due from other funds	62,614
Property, plant and equipment (net)	1,025,091
Total noncurrent assets	<u>1,218,898</u>
Total assets	<u>1,245,119</u>
<b>Deferred outflows of resources</b>	<u>-</u>
<b><u>Liabilities</u></b>	
<b>Current liabilities (payable from current assets):</b>	
Accounts payable	7,871
Accrued expenses	2,019
Due to other funds	-
Total current liabilities (payable from current assets)	<u>9,890</u>
<b>Current liabilities (payable from restricted assets):</b>	
Deposits	<u>22,010</u>
Total liabilities	<u>31,900</u>
<b>Deferred inflows of resources</b>	<u>-</u>
<b><u>Net Position</u></b>	
Invested in capital assets, net of related debt	1,025,091
Restricted for customer meter deposits	22,010
Unrestricted	166,118
Total net position	<u>\$ 1,213,219</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenses and  
Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended December 31, 2013

<b>Operating revenues:</b>	
Charges for services	\$ 88,717
Other	1,250
Total operating revenues	<u>89,967</u>
<b>Operating expenses:</b>	
Personal services	29,920
Repairs and maintenance	7,118
Supplies and materials	7,162
Depreciation	62,382
Insurance	3,234
Utilities	17,058
Other	16,019
Total operating expenses	<u>142,893</u>
Operating income	<u>(52,926)</u>
<b>Non-operating revenues:</b>	
Interest income	397
State grant	-
Total non-operating revenues	<u>397</u>
Net income before contributions and transfers	(52,529)
<b>Transfers:</b>	
Capital grants	45,236
Transfers	<u>47,000</u>
Change in net position	39,707
Total net position - beginning	<u>1,173,512</u>
Total net position - ending	<u>\$ 1,213,219</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF HALL SUMMIT, LOUISIANA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE**  
**YEAR ENDED DECEMBER 31, 2013**

Cash flows from operating activities:	
Cash received from customers	\$ 1,142,888
Cash payments to suppliers and employees	(1,197,341)
Other operating income	16,078
Net cash provided by operating activities	<u>(38,375)</u>
Cash flows from capital and related financing activities	
System improvements	(51,386)
Capital grants	45,236
Transfers from other funds	47,000
Net cash used by capital and related financing activities	<u>40,850</u>
Cash flows from investing activities	
Interest earned	<u>712</u>
Net increase in cash	3,187
Cash, January 1, 2013	<u>7,910</u>
Cash, December 31, 2013	<u><u>\$ 11,097</u></u>
Reconciliation of changes in net position to net cash provided by operating activities:	
Changes in net position before transfers:	\$ (52,926)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	62,382
Changes in assets and liabilities	
Increase in accounts receivable	(2,040)
Increase in grants receivable	(4,617)
Increase in due from other funds	(39,531)
Decrease in accounts payable	(738)
Decrease in customer deposits	<u>(1,265)</u>
Net cash provided by operating activities	<u><u>\$ (38,735)</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

Village of Hall Summit was incorporated on September 11, 1961, under the provisions of the Lawrason Act. The Town operates under a Mayor-Town Council form of government. The Town's major operations includes general administrative services, public safety and utilities.

The Development Corporation of Hall Summit, a component unit of the Village of Hall Summit, is discreetly presented in the financial statements in conformity with generally accounting principles generally accepted in the United States of America.

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.                      Basis of Accounting**

The accompanying financial statements of Village of Hall Summit have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June, 1999.

**B.                      Reporting Entity**

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Town of Logansport is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that Village of Hall Summit may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bond debt.

**C.                      Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position page 9, and the Statement of Activities, (page 10) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services privileges provided by a given function or segment, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D.                      Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when the cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Village of Hall Summit reports the following governmental and proprietary funds:

**Governmental Funds**

Governmental funds account for all or most of Village of Hall Summit's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D.                      Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Proprietary Funds**

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Village of Hall Summit applies all GASB pronouncements as well the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Enterprise Fund** - is used to account for operations a) that are financed/operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that these standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Formal budgetary accounting is employed as a management control. Village of Hall Summit prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more. All budget appropriations lapse at year end.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 1**                      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.            Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

**G.            Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**H.            Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2013, \$372 of Governmental and Business-Type Activities receivables were considered to be uncollectible.

**I.            Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased that have a useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**J.            Sales Taxes**

The Village collects a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more of said purposes, title to which improvements shall be in the public.



**VILLAGE OF HALLSUMMIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K.                      Compensated Absences**

Leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

**L.                      Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3      DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A.                      Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village may deposit funds within a fiscal agent bank selected and designated by the Village Council. Further, the fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The carrying amount of the Village's deposits at December 31, 2013 including petty cash of \$-0- was as follows:

Cash in Banks	\$	70,708
Investments		<u>375,990</u>
Total	\$	<u><u>446,698</u></u>

Bank balances at December 31, 2013 totaled \$447,192 and were secured as follows:

Secured by FDIC Insurance	\$	321,201
Collateralized by securities pledged in the Village's name		<u>125,991</u>
Total	\$	<u><u>447,192</u></u>

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 4    ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2013:

	Governmental Activities	Business-Type Activities	Total
Franchise	\$ 3,254	\$ -	\$ 3,254
Grants	-	4,719	4,719
Charges for services	-	9,740	9,740
Total.	<u>\$ 3,254</u>	<u>\$ 14,459</u>	<u>\$ 17,713</u>

**NOTE 5    CAPITAL ASSETS**

A summary of Village of Hall Summit's capital assets at December 31, 2013 follows:

	Balance 1/1/2013	Additions	Retirements	Balance 12/31/2013
<b>Government Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 21,334	\$ -	\$ -	\$ 21,334
Total Capital Assets, not being depreciated	<u>21,334</u>	<u>-</u>	<u>-</u>	<u>21,334</u>
Capital Assets, being depreciated				
Buildings and other improvements	398,491	-	-	398,491
Less accumulated depreciation	(175,725)	(20,928)	-	(196,653)
Total Buildings and other improvements	<u>222,766</u>	<u>(20,928)</u>	<u>-</u>	<u>201,838</u>
Equipment and other assets	78,650	-	-	78,650
Less accumulated depreciation	(48,461)	(8,590)	-	(57,051)
Total Equipment , Furniture & Fixtures	<u>30,189</u>	<u>(8,590)</u>	<u>-</u>	<u>21,599</u>
Total Capital Assets, being depreciated	<u>252,955</u>	<u>(29,518)</u>	<u>-</u>	<u>223,437</u>
<b>Governmental Activities</b>				
Total Capital Assets, net	<u>\$ 274,289</u>	<u>\$ (29,518)</u>	<u>\$ -</u>	<u>\$ 244,771</u>
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 30,776	\$ -	\$ -	\$ 30,776
Total Capital Assets, not being depreciated	<u>30,776</u>	<u>-</u>	<u>-</u>	<u>30,776</u>
Capital Assets, being depreciated				
Distribution System	1,953,842	45,236	-	1,999,078
Less accumulated depreciation	(954,386)	(57,356)	-	(1,011,742)
Total Distribution System	<u>999,456</u>	<u>(12,120)</u>	<u>-</u>	<u>987,336</u>
Equipment, furniture & fixtures	27,449	6,150	-	33,599
Less accumulated depreciation	(21,594)	(5,026)	-	(26,620)
Total Equipment , Furniture & Fixtures	<u>5,855</u>	<u>1,124</u>	<u>-</u>	<u>6,979</u>
Total Capital Assets, being depreciated	<u>1,005,311</u>	<u>(10,996)</u>	<u>-</u>	<u>994,315</u>
<b>Business-Type Activities</b>				
Total Capital Assets, net	<u>\$ 1,036,087</u>	<u>\$ (10,996)</u>	<u>\$ -</u>	<u>\$ 1,025,091</u>
<b>Primary Government</b>				
Total Capital Assets, net	<u>\$ 1,310,376</u>	<u>\$ (40,514)</u>	<u>\$ -</u>	<u>\$ 1,269,862</u>

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2013**

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at December 31, 2012:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 1,537	\$ 3,154	\$ 4,691
Payroll taxes	-	2,019	2,019
Construction	-	4,717	4,717
Total	<u>\$ 1,537</u>	<u>\$ 9,890</u>	<u>\$ 11,427</u>

**NOTE 7 LEASES**

Village of Hall Summit was not obligated under any operating lease commitments at December 31, 2013.

**NOTE 8 RISK MANAGEMENT**

Village of Hall Summit is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

**NOTE 9 PENDING LITIGATION AND CONTINGENT LIABILITIES**

The Village is not party to any lawsuits at December 31, 2013.

**NOTE 10 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 26, 2014, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

# VILLAGE OF HALL SUMMIT, LOUISIANA

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (GAAP Basis) - Governmental Funds General Fund For the Year Ended December 31, 2013

	Budgeted Amounts Original	Actual	Variance With Budget Positive (Negative)
Revenues:			
Taxes	\$ 22,953	\$ 20,817	\$ (2,136)
Licenses and permits	9,044	11,935	2,891
Fines and fees	2,300	8,075	5,775
Interest	-	691	691
Miscellaneous	-	177	177
Total revenues	<u>34,297</u>	<u>41,695</u>	<u>7,398</u>
Expenditures:			
Current operating:			
General government	19,093	38,179	(19,086)
Law enforcement	3,910	7,717	(3,807)
Total expenditures	<u>23,003</u>	<u>45,896</u>	<u>(22,893)</u>
Excess (deficiency) of revenues	<u>11,294</u>	<u>(4,201)</u>	<u>(15,495)</u>
Other financing sources (uses):			
Operating transfers in	-	(47,000)	(47,000)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(47,000)</u>	<u>(47,000)</u>
Net change in fund balance	11,294	(51,201)	(62,495)
Fund balance at beginning of year	288,676	288,676	-
Fund balance at end of year	<u>\$ 299,970</u>	<u>\$ 237,475</u>	<u>\$ (62,495)</u>

The notes to the financial statements are an integral part of this statement.

## TOWN OF HALL SUMMIT, LOUISIANA

### Schedule of Mayor and Aldermen's Compensation For the Year Ended December 31, 2013

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The schedule of compensation paid to the mayor and the aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the mayor and aldermen is included in the general government expenditures of the General Fund. During 2013, the following amounts were paid to the Mayor and Aldermen:

Honorable W. L. Wimberly, Mayor	\$ 1,200
Aldermen per diem:	
Barbara Perrin	\$ 900
Kathleen Quick	900
Anthony Thomas	750
	<hr/>
	2,550
	<hr/>
	\$ 3,750
	<hr/>

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -  
Statement of Net Position  
December 31, 2013

<u>Assets</u>	
<b>Current assets:</b>	
Cash	\$ 31,609
Investments, at cost	36,060
Prepaid expenses	665
Total current assets	<u>68,334</u>
<b>Noncurrent assets:</b>	
Property, plant and equipment (net of accumulated depreciation)	74,575
Deposits	450
Total assets	<u>143,359</u>
<b>Liabilities and Net Position</b>	
Accounts Payable	354
Due to Other Funds	<u>60,303</u>
Total liabilities	<u>60,657</u>
<u><b>Net Position</b></u>	
Invested in capital assets, net of related debt	74,575
Unrestricted	<u>8,127</u>
Total net position	<u><u>\$ 82,702</u></u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -  
Statement of Activities  
For the Year Ended December 31, 2013

Program Revenues	
Lot rental	\$ 12,135
Miscellaneous	<u>796</u>
Total Revenues	12,931
Operating expenses	<u>29,504</u>
Change in net position before transfers	(16,573)
Transfers	<u>-</u>
Change in Net Position	(16,573)
Net position, beginning of year	<u>99,275</u>
Net position, end of year	<u><u>\$ 82,702</u></u>

TOWN OF HALL SUMMIT, LOUISIANA  
STATEMENT OF CASH FLOWS - COMPONENT UNIT  
YEAR ENDED DECEMBER 31, 2013

Cash flows from operating activities:	
Cash received from customers	\$ 12,135
Cash payments to suppliers and employees	(18,810)
Other operating income	796
Net cash provided by operating activities	<u>(5,879)</u>
Cash flows from capital and related financing activities	
Borrowing from other funds	<u>17,838</u>
Net cash used by capital and related financing activities	<u>17,838</u>
Cash flows from investing activities	
Interest earned	<u>(111)</u>
Net increase in cash	11,848
Cash, beginning of year	<u>19,761</u>
	-
Cash, end of year	<u><u>\$ 31,609</u></u>
Reconciliation of changes in net position to net cash provided by operating activities:	
Changes in net position before transfers:	\$ (16,573)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	11,731
Changes in assets and liabilities	
Decrease in prepaid expense	397
Decrease in accounts payable	<u>(1,434)</u>
Net cash provided by operating activities	<u><u>\$ (5,879)</u></u>





# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

The Honorable W. L. Wimberly  
and Members of the Board of Aldermen  
Village of Hall Summit, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the remaining aggregate fund information of Village of Hall Summit as of and for the year ended December 31, 2013, and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 26, 2014.

## Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Village of Hall Summit, Louisiana's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, I do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. However, as described in the accompanying schedule of findings and questioned costs, I identified a certain deficiency in internal control that I consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected on a timely basis. I consider the deficiency described in the accompanying schedule of findings to be a significant deficiency and is reported as Finding 2013-1.

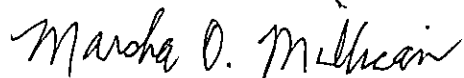
## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Hall Summit's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is reported in the accompanying schedule of findings as Finding 2013-2.

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SHREVEPORT, LA 71104-3036  
(318) 221-3881  
FAX: (318) 221-4641

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant  
June 26, 2014

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS**

DECEMBER 31, 2013

FINDING #2012-1:

The Village had improper spending on flowers for funerals in the community.

STATUS: Resolved.

FINDING #2012-1:

The Village had improper spending on flowers for funerals in the community.

STATUS: Resolved.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS**

DECEMBER 31, 2013

FINDING 2012-1:

The Village had improper spending on flowers for funerals in the community.

STATUS: Resolved.

FINDING 2012-2:

The Village had improper spending on flowers for funerals in the community.

STATUS: Resolved.

VILLAGE OF HALL SUMMIT, LOUISIANA

SCHEDULE OF FINDINGS

DECEMBER 31, 2013

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. One significant deficiency in internal control over financial reporting was disclosed during the audit.
3. One instance of noncompliance was disclosed during the audit.

FINDING 2013-1

Criteria: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Recommendation: Whether or not it would be cost effective to correct a deficiency is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all deficiencies reported under accounting standards generally accepted in the United States of America. In this case, both management and the auditor do not believe that correcting the material weakness described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response: We concur with the finding. We realize the need to segregate duties and will segregate duties as economic and space limitations permit.

FINDING 2013-2:

Condition: The Village was not in compliance with the state budget law. Actual expenses exceeded budgeted expense by 5% or more and the Village did not amend the budget.

Cause:

Unknown.

Recommendation: I recommend the Town comply with State law.

Management's Response and Corrective Action Plan: We agree with the finding. We will comply with state law in the future.